



**RFP ADDENDUM #2**  
Date of Addendum: March 30, 2026

**NOTICE TO FIRMS**

The Request for Proposals for White River-Lake Tapps Reservoir Project Operations and Maintenance Agreement is modified as set forth in this Addendum. The original Request for Proposals and any previously issued addenda remain in full force and effect, except as modified by this Addendum, which is hereby made part of the Request for Proposals. Consultant shall take this Addendum into consideration when preparing and submitting its Proposal, and shall acknowledge receipt of this Addendum in its cover letter.

**PROPOSAL SUBMITTAL DEADLINE**

The submittal deadline for Proposals remains the same and is not changed by this Addendum.

**1.0 – REQUEST FOR PROPOSALS**

Item	Section No.	Description of Change
1.1	5.4.8.1 - Financial Information	Delete the following subsections in their entirety:  a) <u>Financial Statements.</u> d) <u>Legal Proceedings and Judgements.</u>  These two requirements are no longer needed.
1.2	Schedule C – Draft O&M Agreement, Appendix 4 - Scope of Services and Key Performance Indicators	Appendix 4 is revised, as shown in Attachment 1. A clean version of the revised Appendix 4 is included as Attachment 2.
1.3		

**2.0 – INFORMATION AND CLARIFICATIONS**

The following is provided as a matter of information and clarification only. To the extent that changes to the Request for Proposals are required based on the following, the Request for Proposals have been modified as noted above in this Addendum

Item	Section No.	Questions (Q) and Answers (A)
2.1		<p>Q: Can we submit company financial information separately and handle it as proprietary?</p> <p>A: This requirement is no longer needed. See Item 1.1 of this Addendum #2.</p>
2.2		<p>Q: Can you advise the timing to release Key Performance Indicators as referenced in Appendix 4?</p> <p>A: See Item 1.2 and Attachments 1 and 2 to this Addendum #2.</p>
2.3		<p>Q: On Proposal Form C – Pricing – Item 1 asks for Fully Burdened Rates however the table below this description lists a Proposed Raw Labor Rate. Please confirm the table should list Fully Burdened Rates instead of the Proposed Raw Labor rate as written.</p> <p>A: It should be listed as Fully Burdened Rates in the table.</p>
2.4		<p>Q: Could you identify the CMMS program currently in use for this project?</p> <p>A: Veolia Asset Management System (VAMS)</p>
2.5		<p>Q: Is there any clarity on CMMS between Cascade and the Company in terms of who owns it?</p> <p>A: CMMS data is owned by Cascade, but ownership of CMMS software will depend on whether Contractor or Cascade provide the CMMS (and, in turn, whether the CMMS software is licensed or proprietary).</p>
2.6		<p>Q: Will the CMMS encompass WRLTR infrastructure and other infrastructure?</p> <p>A: The Contractor solicited under this RFP will only be required to maintain a CMMS for the WRLTR. Cascade plans to eventually integrate other infrastructure with this CMMS, but integration is not anticipated under the proposed O&amp;M Agreement. Integration may be addressed in future extensions of the O&amp;M Agreement.</p>
2.7		<p>Q: How much engagement does the Company have with non-CWA entities (Tribes, USACE, etc.) or other members of public.</p> <p>A: For non-Cascade entities, Cascade has overall responsibility to meet all requirements and agreements with external agencies including future commitments. These responsibilities can't be delegated. As such all communication normally flows via Cascade unless specifically authorized. For the general public, it is expected that the Company will</p>

		interact with the public as necessary, and acts on behalf of Cascade in a manner that is representative of a public agency employee.
2.8		<p>Q: Are prevailing wages factored into the RFP?</p> <p>A: The Contractor is required to comply with all applicable laws including prevailing wages (See Section 4.5 and Schedule C, Section 5.4(G) of the RFP). Cascade does not decide which category of staff fits in which prevailing wage category; that is up to the Company to ensure compliance.</p>
2.9		<p>Q: Is the Company responsible for major equipment? What will Cascade own vs the Company and who does the maintenance?</p> <p>A: Cascade does not own all equipment necessary to perform the Scope of Services. The list of Cascade-owned Project Equipment and required approach to meeting equipment needs are addressed in Section 5.4.6.5, Schedule C – Appendix 2, and Proposal Form B of the RFP.</p>

ATTACHMENT 1: Redline of Appendix 4, showing revisions

ATTACHMENT 2: Revised Appendix 4

**END OF RFP ADDENDUM # 2**

**APPENDIX 4**

**SCOPE OF SERVICES AND KEY PERFORMANCE INDICATORS**

## APPENDIX 4

### SCOPE OF SERVICES AND KEY PERFORMANCE INDICATORS

- A. Purpose. The purpose of this Appendix 4 is to set forth the Key Performance Indicators and the general scope and requirements for the performance of the Contract Services following the Transition Period. The Company's obligation to perform such Contract Services includes all obligations set forth in the Articles of the Agreement, and nothing in this Appendix 4 shall serve as a limitation on any such obligation.
- B. Operations.
1. Overall Project. The Company's operations responsibilities for the overall Project include the following:
    - (a) Operate the Project in accordance with all Contract Standards, including the conditions of the Water Rights Permits and Collateral Agreements<sup>5</sup>.
    - (b) Divert the maximum instantaneous quantity (1,000 cfs) of water authorized under the Water Rights Permits at least once annually or as otherwise directed by Cascade<sup>5</sup>.
    - (c) Divert the total annual quantity of water available in the calendar year authorized under the Water Rights Permits. Unless informed and directed differently by Cascade, the annual quantity available in a calendar year is 91.959 acre-feet<sup>5</sup>.
    - (d) Lead and prepare for Fall Drawdown (defined below), Spring Refill (defined below), and Flowline Outages (defined below):
      - (i) Preparation generally includes mobilizing equipment (including connection and operation of ancillary systems such as auxiliary pump unit, portable generator, etc.) and cleaning, maintaining, inspecting and testing of systems not typically placed in service during daily normal operations, which include: forebay and powerhouse bypass and relieve valve assemblies during drawdown, ancillary systems such as rock chutes 1& 2, six foot valve, dingle tower, fish recovery facility cleaning and screen installation, and draining and inspection of twin 10' pipelines (including grouting and air vac maintenance)<sup>5</sup>.
    - (e) Conduct annual testing, reporting, and minor maintenance for cathodic protection systems (10-foot diameter pipelines, fish screens, etc.)<sup>5</sup>.
    - (f) Maintain flows leading from the Lake Tapps Reservoir outlet to areas identified in the Bowman Creek Agreements (item 5 in the Collateral Agreements definition) at the rate of 30,000 gallons per hour on a continuous basis, provided that such flows may vary 10,000 gallons per hour, more or less<sup>5</sup>.
    - (g) Participate in calls and meetings required per 2018 Corps Agreement (item 1 in the Collateral Agreements definition), as modified by the Joint Operating Protocols Manual referenced therein<sup>5</sup>.
    - (h) Monitor all surveillance and security systems. Maintain the first line of response to physical and cyber security for Cascade facilities and systems to protect against vandalism and intrusion, including:

- (i) Respond to critical alarms in the SCADA and/or security systems at the Project within 15 minutes, and if required, arrive on site within 1 hour unless otherwise approved by Cascade;
  - (ii) Promptly report security issues to Cascade, any security firm designated by and under contract with Cascade, and (if necessary) law enforcement, and have on-site staff coordinate with public safety officials and any such security firm with respect to security for buildings and property;
  - (iii) Coordinate with towing companies for abandoned vehicles; and
  - (iv) Provide continuous on-call monitoring of the Project Site on a 24-hour, seven days per week basis;
- (i) Provide first response to Emergency events, including **but not limited to:**
- (i) ~~I~~nclement weather;
  - (ii) ~~P~~ower failure;
  - (iii) ~~O~~il or hazardous spills;
  - (iv) ~~S~~eismic events, and
  - (v) ~~F~~ires;
- (j) Provide pest management services. Anticipated pests include rodents within buildings and structural facilities, rodents on dikes and properties (nutria, beavers, moles, etc.), and mosquitos in sensitive areas; ~~and~~
  - (k) Provide janitorial services for all Project facilities.
  - (l) Become familiar with Cascade's five-year emergency action plan for reporting to the Department of Ecology Dam Safety Office (DSO) and assist Cascade in implementing such plan, including by ensuring that Company Persons have appropriate emergency communications equipment.
2. Reservoir. The Company's operations responsibilities with respect to the Lake Tapps Reservoir include the following:
- (a) Maintain the following seasonal water elevation levels in the Lake Tapps Reservoir ("**Seasonal Reservoir Levels**"), as measured at USGS Gage 12101000-Lake Tapps near Sumner based on National Geodetic Vertical Datum 1929 (NVGD 29), unless otherwise directed by Cascade;
    - (i) Between February 15<sup>th</sup> and April 15<sup>th</sup>, initiate refill of the Reservoir ("**Spring Refill**") to achieve a minimum water elevation level of 541.5 feet;
    - (ii) By Memorial Day, achieve the water elevation level of 542.50 feet and maintain this elevation through Labor Day. ("**Recreational Full Pool**"); and

- (iii) By November 1st, initiate drawdown (“**Fall Drawdown**”) of Reservoir water surface elevations to achieve the Reservoir elevation of less than 540.0 feet by November 15<sup>th</sup> and maintain this elevation through at least February 15<sup>th</sup>.
3. Upper Conveyance. The Company’s operations responsibilities with respect to the upper conveyance system, as identified in Appendix 1 (Description of Project and Project Site), include the following:
- (a) Maintain a minimum diversion of 20 cfs of water from the headgate through the fish screen at all times; ~~;~~
  - (b) Ensure adequate water (approximately 20 cfs) is maintained in the fish return pipeline at the fish screens (approximately ½ pipe diameter); ~~;~~
  - (c) Flush sluicing system at Headworks at least annually, or as otherwise directed by Cascade; ~~and~~ ~~;~~
  - (d) On a one-time basis during the Initial Term and as otherwise directed by Cascade during any Renewal Term (Flowline Outage occurs approximately once every five to seven years), lead and prepare for dewatering of the upper conveyance system (“**Flowline Outage**”) to perform inspection and enable repair of infrastructure and other potential projects such as sediment removal.
4. Lower Conveyance. The Company’s responsibilities with respect to the lower conveyance system, as identified in Appendix 1 (Description of Project and Project Site), include the following:
- (a) Demonstrate the ability to draw down the Reservoir at the minimum flow rate required by the Dam Safety Office, which as of 2026, is 450 cfs once per year.

C. Maintenance.

1. Overall Project. The Company’s maintenance responsibilities with respect to the overall Project include the following:
- (a) Inspect and maintain (predictive and corrective maintenance) all facilities at the Project in accordance with the O&M Manual and all other Contract Standards, including Prudent Industry Practice. Significant facilities requiring maintenance include: headworks, fish screens, valve house, tunnel intake, bear trap, forebay, and powerhouse. Additional facilities may be designated for maintenance by Cascade.
    - (i) Inspect and maintain HVAC systems, hot water tanks, etc.; ~~;~~
    - (ii) Inspect and maintain electrical systems (all power systems including 480 three-phase, batteries, solar panels, electrical gear, valve and pump motors, etc.); ~~;~~
    - (iii) Inspect, maintain, lube, and exercise all mechanical systems and equipment (pumps, valves, plumbing, compressors, gears, gates, operators, etc.); ~~;~~
    - (iv) Inspect, maintain, and provide regulatory reporting to Tacoma Pierce County Health Department for sanitary sewer systems, including but not limited to those at the powerhouse, admin building, headworks, and fish screen facilities; ~~;~~

- (v) Inspect and maintain hydraulic systems (periodically inspect and replace hoses, fittings, etc. for hydraulic systems at the valve house, powerhouse, fish screens, six-foot valve, auxiliary pump cart units, etc.);±
  - (vi) Conduct line jetting and inspection, utility locate services, (including potholing and vactor services), and support leak detection and minor repairs;±
  - (vii) Maintain control of Project Site and Project facility access including key distribution, control, and database management for standard mechanical keys, cyber keys, and key card readers for all Project facilities;±
  - (viii) Maintain fences and electrically operated gates;±
  - (ix) Provide access control and barrier installation and maintenance, such as ecology blocks and jersey barriers;±
  - (x) Inspect and report annually all cranes, such as the fish screen gantry crane;±
  - (xi) Paint, pressure wash, and clean facilities including graffiti mitigation;±
  - (xii) Maintain log booms at various locations including, but not limited to, dingle basin, pipeline intake, backflow preventer (front and rear), Vandermark Crossing, and Sumner Tapps Highway south of Fairweather Cove;±
  - (xiii) Install and maintain signage for the Project Site and Project facilities, such as “No Trespassing” signs;± ~~and~~±
  - (xiv) Maintain Project emergency generators, including provision of propane, fuel, diesel, and conduct generator load testing in accordance with manufacturer’s recommendations to ensure generators will start when needed.
- (b) Perform year-round vegetation management:
- (i) Vegetation management increases seasonally for fire safety based on weather conditions and 4<sup>th</sup> of July holiday; and
  - (ii) Noxious weed management: tansy, ragwort, knotweed, blackberries, slender flower thistle, and any other regulated noxious weeds identified on Cascade’s property at the Project Site.
- (c) Inspect and maintain the ditch identified in Pierce County Recording No. 606744 (“**Thompson’s Ditch Agreement**”) (item 4 in the Collateral Agreements definition) in compliance with the Thompson’s Ditch Agreement, including but not limited to maintaining required water surface elevations. Maintenance responsibility includes continual pest management (beaver and nutria), vegetation management, discrete cleaning, dredging and annual debris removal (between Sept 20<sup>th</sup> to October 15<sup>th</sup> unless otherwise directed by Cascade), and providing property owner notifications prior to conducting such work;±
- (d) Remove debris and garbage on the Project Site;±
- (e) Maintain roadways on the Project Site, including but not limited to grading, compacting and rolling, per the list of roads in Exhibit A attached to this Appendix 4;± ~~and~~

- (f) Execute the fleet maintenance program on a schedule in accordance with manufacturers' recommendations using OEM-specified materials and equipment.
2. Upper Conveyance System. The Company's maintenance responsibilities with respect to the upper conveyance system include the following:
    - (a) Maintain fish screens in the diversion canal;~~;~~
    - (b) Remove trees in the flowline to prevent blockages; ~~and~~
    - (c) Maintain the backflow preventer at Printz Basin.
  3. Reservoir. The Company's maintenance responsibilities with respect to the Reservoir include the following:
    - (a) Perform vegetation management on all dikes on the Reservoir, including additional effort in advance of annual winter and summer dike inspections for meeting grass height restrictions of less than 8-inches, and removing small shrubs and trees rooted within the dike prism;~~;~~
    - (b) Inspect, monitor, and maintain ~~all~~ dikes (including filling dike sinkholes). This includes: ~~(1i)~~ Company-led annual winter comprehensive inspection and reporting to Cascade, ~~(2ii)~~ supporting the annual summer inspection with Cascade and Cascade's dam safety consultant and ~~(3iii)~~ support for Cascade reporting to the Department of Ecology and ~~Dam Safety Office (DSO); and~~ DSO.
    - (c) Perform required inspections and readings of weirs and piezometers in accordance with the O&M Manual.
  4. Lower Conveyance. The Company's maintenance responsibilities with respect to the lower conveyance include the following:
    - (a) Maintain the Project culverts, including the culvert on the hill below the forebay and above the powerhouse, at the headworks, near the pipeline intake, at old Buckley Highway, and on the road westside of the valve house, dike 14.

D. Reporting and Planning.

1. Computerized Maintenance Management System (CMMS).
  - (a) Subject to clause (b) below, the Company shall provide the CMMS meeting the functionality and all requirements specified in Appendix 7 (CMMS Requirements) and Section 5.6(B) of the Agreement; ~~and~~ The CMMS shall be updated within 45 days of a new asset being put into service at the Project.
  - (b) Cascade reserves the right to develop a system-wide CMMS for the entirety of its assets, including the Project. If Cascade exercises such right and provides the Company with access to its CMMS, the Company shall utilize Cascade's CMMS for managing all work pertaining to the Contract Services.
2. Reporting.
  - (a) Reporting in accordance with the following:

<b>Reporting Requirement</b>	<b>Deadline</b>
Monthly asset management and performance reporting (CMMS reporting)	15 <sup>th</sup> day of each month for the prior calendar month, to be provided as part of the monthly report required by Section 5.13(A) of the Agreement
<u>Quarterly summary of asset register modifications, deletions, and additions to the CMMS</u>	<u>15<sup>th</sup> day of April, July, October, and January, to be provided as part of the monthly report required by Section 5.13(A) of the Agreement for the month specified</u>
Water Rights Compliance Data	15 <sup>th</sup> day of January - annually
Utility Usage Report	15 <sup>th</sup> day of each month for the prior calendar month, to be provided as part of the monthly report required by Section 5.13(A) of the Agreement

3. O&M Manual.

- (a) Initial update to O&M Manual: The Company shall develop and provide an initial update the O&M Manual as a Transition Period responsibility and as otherwise specified in Section 5.5(A) of the Agreement by the first anniversary of the Effective Date; ~~and.~~
- (b) Annual update: The Company shall keep the O&M Manual current, preserving or improving upon the standards in the initial update to the O&M Manual in accordance with Section 5.5(B) of the Agreement.

4. Health and Safety Plan.

- (a) The Company shall develop and maintain a Project-specific health and safety plan in accordance with all Contract Standards, including all regulatory standards established by the Washington State Department of Labor & Industries. Such plan shall address all matters specified in Section 5.8(A) of the Agreement and shall be developed as a Transition Period responsibility in accordance with Section 4.2(A) of the Agreement. The Company shall keep such plan current, shall provide Cascade with any updates thereto as circumstances warrant, and shall comply with such plan in performing the Contract Services.

5. Environmental Compliance Plan.

- (a) The Company shall develop and maintain a Project-specific environmental compliance plan in accordance with all Contract Standards. Such plan shall detail the Company's approach to ensuring compliance with environmental laws in the performance of the Contract Services, including spill response planning, and shall be developed as a Transition Period responsibility in accordance with Section 4.2(A) of the Agreement. The Company shall keep such plan current, shall provide Cascade with any updates thereto as circumstances warrant, and shall comply with such plan in performing the Contract Services.

6. Staff Training Plan.

- (a) The Company shall develop and maintain a Project-specific training plan in accordance with all Contract Standards. Such plan shall address all matters specified in Section 5.4(E) of the Agreement, detailing the Company's approach to ensuring training in accordance with the Contract Standards, and shall be developed as a Transition Period responsibility in accordance with Section 4.2(A) of the Agreement. The Company shall keep such plan current, shall provide Cascade with any updates thereto as circumstances warrant, and shall comply with such plan in performing the Contract Services.

7. Records Management Plan.

- (a) The Company shall develop and maintain a Project-specific records management plan in accordance with all Contract Standards. Such plan shall address all matters specified in Section 5.12(B) of the Agreement and shall be developed as a Transition Period responsibility in accordance with Section 4.2(A) of the Agreement. The Company shall keep such plan current, shall provide Cascade with any updates thereto as circumstances warrant, and shall comply with such plan in performing the Contract Services.

E. Key Performance Indicators. ~~{The Key Performance Indicators **will be provided by Addendum to the RFP.** are intended as a measure of the Company's compliance with the Contract Standards in performing the Contract Services.~~

They do not serve to limit any other obligation of the Company under this Agreement. The Key Performance Indicators are as follows:

1. Water Rights Permit Conditions. The Company shall have performed the Contract Services in full compliance with Condition 1 (Minimum Flows) and Condition 3 (Releases from Reservoir) of the Water Rights Permits (the "**Water Rights Permit Condition KPI**").
2. Seasonal Reservoir Levels. The Company shall have completed Spring Refill and Fall Drawdown in accordance with Section B.2(a)(i) and (iii) of this Appendix (the "**Seasonal Reservoir Level KPI**").
3. Recreational Full Pool. The Company shall have achieved and shall have maintained Recreational Full Pool, within a range of 542.50 feet and 542.75 feet, in accordance with Section B.2(a)(ii) (the "**Recreational Full Pool KPI**").
4. Upper Conveyance. The Company shall have maintained compliance with the requirements specified in Section B.3(a) of this Appendix (the "**Upper Conveyance KPI**").
5. Maintenance. The Company shall have performed maintenance of the Project in accordance with the following (collectively, the "**Maintenance KPI**"), in each case as measured by the CMMS in accordance with the Contract Standards:
  - (a) the percentage of scheduled maintenance items completed on time is not less than ninety percent (90%), measured for each calendar month; provided that maintenance items are scheduled in the CMMS in accordance with Good Industry Practice and no item fails to be completed for two or more consecutive calendar months; and
  - (b) no maintenance item associated with critical assets (as designated by Cascade and subsequently documented in the CMMS) is more than 30 days overdue.

6. Administrative and Reporting. The Company shall have provided all reports and Work Product required to be delivered to Cascade by this Agreement in a timely manner and shall have responded to critical alarms in the SCADA and/or security systems at the Project in accordance with Section B.1(h)(i) of this Appendix (collectively, the **“Administrative and Reporting KPI”**).

F. Deductions for Key Performance Indicators. Subject to Section G of this Appendix, Cascade shall have the right to assess deductions against the Service Fee for failures of compliance with the Key Performance Indicators in accordance with Section 5.3(B) of the Agreement in the following amounts:

1. \$1,000 for a failure of compliance with the Water Rights Permit Condition KPI or the Seasonal Reservoir Level KPI on any day, with such deduction applying for each day of noncompliance and on an additive basis for each such Key Performance Indicator. For example, if the Company is out of compliance with both the Water Rights Permit Condition KPI and the Seasonal Reservoir Level KPI for two consecutive days, the total potential deduction attributable to such days would be \$4,000.
2. \$500 for a failure of compliance with the Recreational Full Pool KPI on any day, with such deduction applying for each day of noncompliance.
3. For a failure of compliance with the Upper Conveyance KPI on any day, with such deduction applying for each day of noncompliance:
  - (a) \$1,000, where the minimum diversion from the headgate through the fish screen is less than 20 cfs but more than 15 cfs;
  - (b) \$5,000, where the minimum diversion from the headgate through the fish screen is less than 15 cfs but more than 10 cfs; and
  - (c) \$10,000, where the minimum diversion from the headgate through the fish screen is less than 10 cfs.
4. \$750 for a failure of compliance with the Maintenance KPI, with such deduction applying for:
  - (a) each calendar month scheduled maintenance occurs less than ninety percent (90%) of the time and/or individual items fail to be completed for two or more consecutive calendar months; and
  - (b) each day that maintenance associated with a critical asset is more than 30 days overdue.
5. \$50 for a failure of compliance with the Administrative and Reporting KPI on any day, with such deduction applying for each day of noncompliance and on an additive basis, up to a maximum of \$1000 per day.

The deduction amount set forth in this Section F shall be adjusted annually, commencing on January 1, 2028, in the same manner as provided for under Section 7.3 of the Agreement for the Base O&M Charge of the Service Fee. The assessment of any such deduction against the Service Fee will not limit any obligation of the Company to pay fines or penalties under and in accordance with Section 5.9 of the Agreement or any indemnification obligation of the Company hereunder with respect to third-party claims.

G. Relief from Compliance with Key Performance Indicators. The Company shall not be considered out of compliance with a Key Performance Indicator to the extent the Company demonstrates to Cascade that an Uncontrollable Circumstance is the direct cause of the noncompliance. Additionally:

1. the Company shall be excused from compliance with the Water Rights Permit Condition KPI if Cascade determines that noncompliance occurs solely due to United States Army Corps of Engineer activities or operations or natural river conditions such as seasonal and spatial patterns in diurnal cycles in river streamflow that could cause significant changes in river flow within a day; and
2. the Company shall be excused from compliance with the Seasonal Reservoir Level KPI and/or the Recreational Full Pool KPI if Cascade concurs that operational variance is required due to forecasts or available precipitation, necessary milfoil control, or the terms and conditions of the Water Rights Permits or any other Applicable Law.

H. Incentive Compensation for Compliance with Key Performance Indicators. The Company may be entitled to incentive compensation related to compliance with the Key Performance Indicators in accordance with the applicable Annual Budget, as described in subsection 7.2(D) of the Agreement. Any incentive compensation payable to the Company shall be conditioned upon satisfactory compliance with the Key Performance Indicators, in addition to the other preconditions for the payment of incentive compensation established by the applicable Annual Budget.

**APPENDIX 4**

**SCOPE OF SERVICES AND KEY PERFORMANCE INDICATORS**

## APPENDIX 4

### SCOPE OF SERVICES AND KEY PERFORMANCE INDICATORS

- A. Purpose. The purpose of this Appendix 4 is to set forth the Key Performance Indicators and the general scope and requirements for the performance of the Contract Services following the Transition Period. The Company's obligation to perform such Contract Services includes all obligations set forth in the Articles of the Agreement, and nothing in this Appendix 4 shall serve as a limitation on any such obligation.
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    - (d) Lead and prepare for Fall Drawdown (defined below), Spring Refill (defined below), and Flowline Outages (defined below):
      - (i) Preparation generally includes mobilizing equipment (including connection and operation of ancillary systems such as auxiliary pump unit, portable generator, etc.) and cleaning, maintaining, inspecting and testing of systems not typically placed in service during daily normal operations, which include: forebay and powerhouse bypass and relieve valve assemblies during drawdown, ancillary systems such as rock chutes 1& 2, six foot valve, dingle tower, fish recovery facility cleaning and screen installation, and draining and inspection of twin 10' pipelines (including grouting and air vac maintenance).
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- (b) Ensure adequate water (approximately 20 cfs) is maintained in the fish return pipeline at the fish screens (approximately ½ pipe diameter).
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C. Maintenance.

1. Overall Project. The Company’s maintenance responsibilities with respect to the overall Project include the following:
- (a) Inspect and maintain (predictive and corrective maintenance) all facilities at the Project in accordance with the O&M Manual and all other Contract Standards, including Prudent Industry Practice. Significant facilities requiring maintenance include: headworks, fish screens, valve house, tunnel intake, bear trap, forebay, and powerhouse. Additional facilities may be designated for maintenance by Cascade.
    - (i) Inspect and maintain HVAC systems, hot water tanks, etc.
    - (ii) Inspect and maintain electrical systems (all power systems including 480 three-phase, batteries, solar panels, electrical gear, valve and pump motors, etc.).
    - (iii) Inspect, maintain, lube, and exercise all mechanical systems and equipment (pumps, valves, plumbing, compressors, gears, gates, operators, etc.).
    - (iv) Inspect, maintain, and provide regulatory reporting to Tacoma Pierce County Health Department for sanitary sewer systems, including but not limited to those at the powerhouse, admin building, headworks, and fish screen facilities.
    - (v) Inspect and maintain hydraulic systems (periodically inspect and replace hoses, fittings, etc. for hydraulic systems at the valve house, powerhouse, fish screens, six-foot valve, auxiliary pump cart units, etc.).
    - (vi) Conduct line jetting and inspection, utility locate services, (including potholing and vactor services), and support leak detection and minor repairs.
    - (vii) Maintain control of Project Site and Project facility access including key distribution, control, and database management for standard mechanical keys, cyber keys, and key card readers for all Project facilities.
    - (viii) Maintain fences and electrically operated gates.

- (ix) Provide access control and barrier installation and maintenance, such as ecology blocks and jersey barriers.
  - (x) Inspect and report annually all cranes, such as the fish screen gantry crane.
  - (xi) Paint, pressure wash, and clean facilities including graffiti mitigation.
  - (xii) Maintain log booms at various locations including, but not limited to, dingle basin, pipeline intake, backflow preventer (front and rear), Vandermark Crossing, and Sumner Tapps Highway south of Fairweather Cove.
  - (xiii) Install and maintain signage for the Project Site and Project facilities, such as “No Trespassing” signs.
  - (xiv) Maintain Project emergency generators, including provision of propane, fuel, diesel, and conduct generator load testing in accordance with manufacturer’s recommendations to ensure generators will start when needed.
- (b) Perform year-round vegetation management:
- (i) Vegetation management increases seasonally for fire safety based on weather conditions and 4<sup>th</sup> of July holiday; and
  - (ii) Noxious weed management: tansy, ragwort, knotweed, blackberries, slender flower thistle, and any other regulated noxious weeds identified on Cascade’s property at the Project Site.
- (c) Inspect and maintain the ditch identified in Pierce County Recording No. 606744 (“**Thompson’s Ditch Agreement**”) (item 4 in the Collateral Agreements definition) in compliance with the Thompson’s Ditch Agreement, including but not limited to maintaining required water surface elevations. Maintenance responsibility includes continual pest management (beaver and nutria), vegetation management, discrete cleaning, dredging and annual debris removal (between Sept 20<sup>th</sup> to October 15<sup>th</sup> unless otherwise directed by Cascade), and providing property owner notifications prior to conducting such work.
- (d) Remove debris and garbage on the Project Site.
- (e) Maintain roadways on the Project Site, including but not limited to grading, compacting and rolling, per the list of roads in Exhibit A attached to this Appendix 4.
- (f) Execute the fleet maintenance program on a schedule in accordance with manufacturers’ recommendations using OEM-specified materials and equipment.
2. Upper Conveyance System. The Company’s maintenance responsibilities with respect to the upper conveyance system include the following:
- (a) Maintain fish screens in the diversion canal.
  - (b) Remove trees in the flowline to prevent blockages.
  - (c) Maintain the backflow preventer at Printz Basin.

3. Reservoir. The Company's maintenance responsibilities with respect to the Reservoir include the following:
  - (a) Perform vegetation management on all dikes on the Reservoir, including additional effort in advance of annual winter and summer dike inspections for meeting grass height restrictions of less than 8-inches, and removing small shrubs and trees rooted within the dike prism.
  - (b) Inspect, monitor, and maintain all dikes (including filling dike sinkholes). This includes: (i) Company-led annual winter comprehensive inspection and reporting to Cascade, (ii) supporting the annual summer inspection with Cascade and Cascade's dam safety consultant and (iii) support for Cascade reporting to the Department of Ecology and DSO.
  - (c) Perform required inspections and readings of weirs and piezometers in accordance with the O&M Manual.
4. Lower Conveyance. The Company's maintenance responsibilities with respect to the lower conveyance include the following:
  - (a) Maintain the Project culverts, including the culvert on the hill below the forebay and above the powerhouse, at the headworks, near the pipeline intake, at old Buckley Highway, and on the road westside of the valve house, dike 14.

D. Reporting and Planning.

1. Computerized Maintenance Management System (CMMS).
  - (a) Subject to clause (b) below, the Company shall provide the CMMS meeting the functionality and all requirements specified in Appendix 7 (CMMS Requirements) and Section 5.6(B) of the Agreement. The CMMS shall be updated within 45 days of a new asset being put into service at the Project.
  - (b) Cascade reserves the right to develop a system-wide CMMS for the entirety of its assets, including the Project. If Cascade exercises such right and provides the Company with access to its CMMS, the Company shall utilize Cascade's CMMS for managing all work pertaining to the Contract Services.
2. Reporting.
  - (a) Reporting in accordance with the following:

<b>Reporting Requirement</b>	<b>Deadline</b>
Monthly asset management and performance reporting (CMMS reporting)	15 <sup>th</sup> day of each month for the prior calendar month, to be provided as part of the monthly report required by Section 5.13(A) of the Agreement
Quarterly summary of asset register modifications, deletions, and additions to the CMMS	15 <sup>th</sup> day of April, July, October, and January, to be provided as part of the monthly report required by Section 5.13(A) of the Agreement for the month specified
Water Rights Compliance Data	15 <sup>th</sup> day of January - annually

Utility Usage Report	15 <sup>th</sup> day of each month for the prior calendar month, to be provided as part of the monthly report required by Section 5.13(A) of the Agreement
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3. O&M Manual.

- (a) Initial update to O&M Manual: The Company shall develop and provide an initial update the O&M Manual as a Transition Period responsibility and as otherwise specified in Section 5.5(A) of the Agreement by the first anniversary of the Effective Date.
- (b) Annual update: The Company shall keep the O&M Manual current, preserving or improving upon the standards in the initial update to the O&M Manual in accordance with Section 5.5(B) of the Agreement.

4. Health and Safety Plan.

- (a) The Company shall develop and maintain a Project-specific health and safety plan in accordance with all Contract Standards, including all regulatory standards established by the Washington State Department of Labor & Industries. Such plan shall address all matters specified in Section 5.8(A) of the Agreement and shall be developed as a Transition Period responsibility in accordance with Section 4.2(A) of the Agreement. The Company shall keep such plan current, shall provide Cascade with any updates thereto as circumstances warrant, and shall comply with such plan in performing the Contract Services.

5. Environmental Compliance Plan.

- (a) The Company shall develop and maintain a Project-specific environmental compliance plan in accordance with all Contract Standards. Such plan shall detail the Company's approach to ensuring compliance with environmental laws in the performance of the Contract Services, including spill response planning, and shall be developed as a Transition Period responsibility in accordance with Section 4.2(A) of the Agreement. The Company shall keep such plan current, shall provide Cascade with any updates thereto as circumstances warrant, and shall comply with such plan in performing the Contract Services.

6. Staff Training Plan.

- (a) The Company shall develop and maintain a Project-specific training plan in accordance with all Contract Standards. Such plan shall address all matters specified in Section 5.4(E) of the Agreement, detailing the Company's approach to ensuring training in accordance with the Contract Standards, and shall be developed as a Transition Period responsibility in accordance with Section 4.2(A) of the Agreement. The Company shall keep such plan current, shall provide Cascade with any updates thereto as circumstances warrant, and shall comply with such plan in performing the Contract Services.

7. Records Management Plan.

- (a) The Company shall develop and maintain a Project-specific records management plan in accordance with all Contract Standards. Such plan shall address all matters

specified in Section 5.12(B) of the Agreement and shall be developed as a Transition Period responsibility in accordance with Section 4.2(A) of the Agreement. The Company shall keep such plan current, shall provide Cascade with any updates thereto as circumstances warrant, and shall comply with such plan in performing the Contract Services.

- E. Key Performance Indicators. The Key Performance Indicators are intended as a measure of the Company's compliance with the Contract Standards in performing the Contract Services. They do not serve to limit any other obligation of the Company under this Agreement. The Key Performance Indicators are as follows:
1. Water Rights Permit Conditions. The Company shall have performed the Contract Services in full compliance with Condition 1 (Minimum Flows) and Condition 3 (Releases from Reservoir) of the Water Rights Permits (the "**Water Rights Permit Condition KPI**").
  2. Seasonal Reservoir Levels. The Company shall have completed Spring Refill and Fall Drawdown in accordance with Section B.2(a)(i) and (iii) of this Appendix (the "**Seasonal Reservoir Level KPI**").
  3. Recreational Full Pool. The Company shall have achieved and shall have maintained Recreational Full Pool, within a range of 542.50 feet and 542.75 feet, in accordance with Section B.2(a)(ii) (the "**Recreational Full Pool KPI**").
  4. Upper Conveyance. The Company shall have maintained compliance with the requirements specified in Section B.3(a) of this Appendix (the "**Upper Conveyance KPI**").
  5. Maintenance. The Company shall have performed maintenance of the Project in accordance with the following (collectively, the "**Maintenance KPI**"), in each case as measured by the CMMS in accordance with the Contract Standards:
    - (a) the percentage of scheduled maintenance items completed on time is not less than ninety percent (90%), measured for each calendar month; provided that maintenance items are scheduled in the CMMS in accordance with Good Industry Practice and no item fails to be completed for two or more consecutive calendar months; and
    - (b) no maintenance item associated with critical assets (as designated by Cascade and subsequently documented in the CMMS) is more than 30 days overdue.
  6. Administrative and Reporting. The Company shall have provided all reports and Work Product required to be delivered to Cascade by this Agreement in a timely manner and shall have responded to critical alarms in the SCADA and/or security systems at the Project in accordance with Section B.1(h)(i) of this Appendix (collectively, the "**Administrative and Reporting KPI**").
- F. Deductions for Key Performance Indicators. Subject to Section G of this Appendix, Cascade shall have the right to assess deductions against the Service Fee for failures of compliance with the Key Performance Indicators in accordance with Section 5.3(B) of the Agreement in the following amounts:
1. \$1,000 for a failure of compliance with the Water Rights Permit Condition KPI or the Seasonal Reservoir Level KPI on any day, with such deduction applying for each day of noncompliance and on an additive basis for each such Key Performance Indicator. For example, if the Company is out of compliance with both the Water Rights Permit

Condition KPI and the Seasonal Reservoir Level KPI for two consecutive days, the total potential deduction attributable to such days would be \$4,000.

2. \$500 for a failure of compliance with the Recreational Full Pool KPI on any day, with such deduction applying for each day of noncompliance.
3. For a failure of compliance with the Upper Conveyance KPI on any day, with such deduction applying for each day of noncompliance:
  - (a) \$1,000, where the minimum diversion from the headgate through the fish screen is less than 20 cfs but more than 15 cfs;
  - (b) \$5,000, where the minimum diversion from the headgate through the fish screen is less than 15 cfs but more than 10 cfs; and
  - (c) \$10,000, where the minimum diversion from the headgate through the fish screen is less than 10 cfs.
4. \$750 for a failure of compliance with the Maintenance KPI, with such deduction applying for:
  - (a) each calendar month scheduled maintenance occurs less than ninety percent (90%) of the time and/or individual items fail to be completed for two or more consecutive calendar months; and
  - (b) each day that maintenance associated with a critical asset is more than 30 days overdue.
5. \$50 for a failure of compliance with the Administrative and Reporting KPI on any day, with such deduction applying for each day of noncompliance and on an additive basis, up to a maximum of \$1000 per day.

The deduction amount set forth in this Section F shall be adjusted annually, commencing on January 1, 2028, in the same manner as provided for under Section 7.3 of the Agreement for the Base O&M Charge of the Service Fee. The assessment of any such deduction against the Service Fee will not limit any obligation of the Company to pay fines or penalties under and in accordance with Section 5.9 of the Agreement or any indemnification obligation of the Company hereunder with respect to third-party claims.

G. Relief from Compliance with Key Performance Indicators. The Company shall not be considered out of compliance with a Key Performance Indicator to the extent the Company demonstrates to Cascade that an Uncontrollable Circumstance is the direct cause of the noncompliance. Additionally:

1. the Company shall be excused from compliance with the Water Rights Permit Condition KPI if Cascade determines that noncompliance occurs solely due to United States Army Corps of Engineer activities or operations or natural river conditions such as seasonal and spatial patterns in diurnal cycles in river streamflow that could cause significant changes in river flow within a day; and
2. the Company shall be excused from compliance with the Seasonal Reservoir Level KPI and/or the Recreational Full Pool KPI if Cascade concurs that operational variance is required due to forecasts or available precipitation, necessary milfoil control, or the terms and conditions of the Water Rights Permits or any other Applicable Law.

H. Incentive Compensation for Compliance with Key Performance Indicators. The Company may be entitled to incentive compensation related to compliance with the Key Performance Indicators in accordance with the applicable Annual Budget, as described in subsection 7.2(D) of the Agreement. Any incentive compensation payable to the Company shall be conditioned upon satisfactory compliance with the Key Performance Indicators, in addition to the other preconditions for the payment of incentive compensation established by the applicable Annual Budget.